

TITLE 14: COMMERCE
SUBTITLE C: ECONOMIC DEVELOPMENT
CHAPTER I: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 691
BACK TO BUSINESS GRANT PROGRAM

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SOURCE: Emergency rules adopted at 45 Ill. Reg. 11616, effective September 1, 2021, for a maximum of 150 days; emergency amendment to emergency rule at 45 Ill. Reg. 13979, effective October 25, 2021, for the remainder of the 150 days; adopted at 46 Ill. Reg. 2609, effective January 28, 2022; emergency amendment at 46 Ill. Reg. 11317, effective June 16, 2022, for a maximum of 150 days; amended at 46 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS

Section 691.20 Definitions

"Affiliate" means another business that is at least 50% or more owned or controlled by a person with at least 50% ownership or control of the Applicant.

"Allowable Expenditure" means a necessary expenditure that the Department has authorized for reimbursement under the Program in accordance with Section 691.110.

"Applicant" means a Qualifying Business that applies for funding under the Program.

"ARPA" means the American Rescue Plan Act (P.L. 117-2).

"Authorized Representative" is an individual with legal authority to bind the business or non-profit organization.

"Business" means a for-profit enterprise or non-profit organization lawfully conducting business in Illinois.

"Business district(s)" means an area containing shops and offices where persons engage in the purchase and sale of commodities or in related financial transactions.

"COVID-19" means *the novel coronavirus disease deemed COVID-19 by the World Health Organization on February 11, 2020* [20 ILCS 605/605-1050(g)(1)].

"COVID-19 Public Health Emergency" means the Statewide public health emergency declared March 9, 2020, the national public health emergency declared March 13, 2020, and the major disaster declared in Illinois by the President on March 26, 2020.

"COVID-19 Prevention Directives" means all state laws, orders, administrative rules and guidance relevant to and in effect during the COVID-19 Public Health Emergency that pertain to preventing the spread of COVID-19, including Executive Orders and preventative guidelines issued by the Illinois Governor, the Illinois Emergency Management Agency, the Department, or the Illinois Department of Public Health.

"CSFRF" means the Coronavirus State Fiscal Recovery Fund as implemented by Section 602 of Title VI of the federal Social Security Act [42 U.S.C. 802].

"Department" means the Illinois Department of Commerce and Economic Opportunity.

"Disproportionately Impacted Area" means those zip codes most severely affected by the COVID-19 Public Health Emergency, to be determined based on positive COVID-19 case per capita rates, and high rates in at least one of the following poverty-related categories relative to other zip codes within their region:

share of population consisting of children age 6 to 17 in households with income less than 125% of the federal poverty level;

share of population consisting of adults over age 64 in households with income less than 200% of the federal poverty level;

share of population in household with income less than 150% of the federal poverty level; and

share of population consisting of children ages 5 and under in households with income less than 185% of the federal poverty level.

"GATA" means the Grant Accountability and Transparency Act [30 ILCS 708].

"GATA Rule" means 44 Ill. Adm. Code 7000.

"Financial Assistance" means financial support to an Illinois business in the form of a grant, expense reimbursement, or subsidy.

"Hard-hit industry" means an industry that was negatively impacted by the pandemic including the arts, travel, tourism, and hospitality industries.

"High traffic area" means a location that is zoned "to allow for commercial use; and located within 2 blocks or ¼ mile of a transportation facility (train station, bus station, or intermodal facility), an educational institution providing on-site, in-person instruction; or at least two establishments meeting one of the following criteria: Retail or commercial business offering on-site, in-person services or sales to customers, or Non-profit or government office providing on-site, in-person services to residents.

"Home-based business means a small business that operates from the business owner's home.

"Independently Owned and Operated" means, with respect to a business, that the ownership interests, management, and operation of the business are not subject to

control, restriction, modification, or limitation by a person with no formal role in the operation of the business.

"Non-Profit Organization" means an organization which is registered as a not-for-profit corporation with the Illinois Secretary of State and is registered with the Internal Revenue Service as a 501(c)(3), 501(c)(6), or as a 501(c)(19) entity.

"Occupy" means to hold in possession with the legal authority thereof; to hold or keep for use.

"Program" means the financial assistance funding opportunities administered by the Department and implemented in this Part.

"Program Participant" means the business that receives financial assistance under the Program.

"Qualifying Business" means a business or organization that has experienced or is experiencing business interruption or other adverse conditions due to the COVID-19 public health emergency, and includes a new business or organization started after March 1, 2020 in the midst of adverse conditions due to the COVID-19 public health emergency, includes self-employed individuals and independent contractors [20 ILCS 605/605-1050(g)(2)].

"Qualified Partner" means *a financial institution or non-profit organization with which the Department, or another state agency pursuant to an intergovernmental agreement with the Department, has entered into an agreement or contract to provide or incentivize assistance to Qualifying Businesses. [20ILCS 605/605-1050(g)(5)].*

"Revenue" means the total amount a business or a non-profit organization has received from sales or contributions during its annual accounting period, without subtracting any costs or expenses. Revenue is equal to the gross receipts of a business or non-profit organization as reported on their federal tax return.

"SLFRF" means the Federal Coronavirus State and Local Fiscal Recovery Funds.

"Small business" means a business that earns gross receipts less than \$20 million annually.

"Smallest business" means a business that earns gross receipts less than \$5 million annually.

"Targeted Funding Opportunity" means a formal announcement of the availability of funding through the Program from the Department for a Qualifying Business that operates in an industry or an area that has been the most disproportionately impacted by the COVID-19 Public Health Emergency.

"Uniform Guidance" means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), codified at 2 CFR 200.

(Source: Amended at 46 Ill. Reg. _____, effective _____)

SUBPART B: STARTUP GRANTS PROGRAM AND REACTIVATING VACANT AND MAINSTREET PLACES GRANTS PROGRAM

Section 691.210 Program Administration

a) Programs

Businesses seeking financial assistance under this Subpart must submit an application to the Department's Qualified Partner for one of the following programs:

- 1) Startup Grants Program: A grant program to help cover COVID-19 related costs for businesses that incorporated and started operations on January 1, 2020, or later.
- 2) Reactivating Vacant and Mainstreet Places (REVAMP) Grants Program: A grant program that reimburses businesses for COVID-19 related costs incurred after March 13, 2020, for businesses occupying a commercial property that had been vacant without a tenant for a minimum of 90 consecutive days ending on or after March 1, 2020.

b) Application Process

Interested businesses shall apply to the programs in this Subpart, utilizing an electronic application provided by the Department's Qualified Partner. The Department will list on its website (<https://www2.illinois.gov/dceo/Pages/default.aspx>) a link to the website hosted by the Qualified Partner. Once the interested business arrives at the Qualified Partner's website and accesses the appropriate hyperlink for the grant program the business seeks to apply to, the business will be forwarded to the application portal for that program which is administered by the Qualified Partner of the Department. To assist in determining the eligibility of an applicant under either program in this Subpart, the following documents will be required from an applicant:

- 1) An attestation that will be provided by the Department's Qualified Partner that attests to their eligibility for the program and compliance with programmatic requirements for funding as described for this Subpart;
- 2) A valid government-issued identification (driver's license, State ID, passport, or Matricular Consular Card) for the business owner or the authorized representative of the business;
- 3) Proof of establishment by a business organization including copies of articles of incorporation, articles of organization, certificate of good standing in the State of Illinois, or a business license from the appropriate local government agency that exercises jurisdiction over the applicant;
- 4) Proof of tax exemption as provided by the IRS, if applicable;
- 5) Proof of professional licensure (if the applicant operates a business that requires a professional license);
- 6) Relevant receipts, credit card statements, or bank statements that reflect expenditures incurred, which are reimbursable by the program applied to;
- 7) Most recent tax return;
- 8) A utility bill that provides proof of address for the business; and
- 9) If applying for funding under the REVAMP program, a copy of the applicant's fully executed lease agreement, proof of mortgage payment, or a copy of the deed of the business.

Completed application materials must be signed by the applicant's authorized representative and received by the Department's Qualified Partner by the announced deadline for the submission of applications. If an applicant has been marked ineligible, the Qualified Partner will provide the applicant with electronic notice of their ineligibility. The notice will contain the reason for ineligibility and a link to a decision appeal form. The Qualified Partner will review appeals by re-reviewing the application, the appeal form, and any supporting documentation provided by the applicant. Upon conclusion of this review, the Qualified Partner will provide a follow-up email to the business identifying a decision and supporting evidence for that decision. The Department's Qualified Partner will review appeals until funds are exhausted.

c) Selection Process

The Department's Qualified Partner shall select awardees under the programs in this Subpart using a competitive scoring model to determine the prioritization of review for each application. The following is each worth one priority point if applicable to the applicant:

- 1) Applicants operating a business that earned gross receipts of less than \$5 million annually;
- 2) A business within a hard-hit industry;
- 3) A business that has not received funding from a COVID-19 relief program that was funded utilizing federal dollars (including federal funds that was issued by the State of Illinois); or
- 4) A business operating within a DIA.

Applications with the highest number of priority points will be reviewed first by the Qualified Partner. Once the order of review is determined, the Qualified Partner will review each application until funds are exhausted. For eligible applicants selected, the amount of an award will be based on 100% of eligible expenditures incurred, providing the applicant incurred at least \$5,000 of eligible expenditures, and the award will be capped at a maximum amount of \$150,000. For home-based businesses, they are precluded from applying under the REVAMP program, and the maximum award available under the Startup Grants Program is limited to 100% of eligible expenditures incurred but is capped at a maximum amount of \$25,000. Once an award is determined, the Qualified Partner will notify the applicant; and require the business to sign a Financial Assistance agreement and an attestation before funds are disbursed to the applicant.

d) Noncompliance

A Program Participant shall return all funds provided under either program in this Subpart if it does not comply with any requirements in this Part or breaches any material term of the Financial Assistance agreement or attestation. A material term is any term that relates to eligibility for Program participation, reimbursement under the SLFRF, or compliance with State and federal law, including COVID-19 Prevention Directives. Recovery of funds in the event of noncompliance may be effectuated by any means authorized under Illinois law, including the Grant Funds Recovery Act for any Financial Assistance in the form of a grant or the Illinois False Claims Act for any Financial Assistance gained using false information.

e) Reporting Requirements

Each Program Participant and Qualified Partners shall submit all reports required pursuant to any project and expenditure reporting requirements identified by the Department of the Treasury in a format and at a time required by the Department. As this information becomes more readily available through federal rules and guidelines, the Department will include this information on its website and other available mediums.

f) Recordkeeping Requirements

- 1) Program participants shall maintain, for 5 years from the date the award was last expended or returned to the Qualified Partners, adequate books, financial records and supporting documents, statistical records, and all other records pertinent to awards made under this Program. If any litigation, claim, or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims, or audit exceptions involving the records have been resolved, and final action is taken.
- 2) Program participants shall provide or make available all records related to awards made under this Program to the Qualified Partner, the Department or to the U.S. Department of the Treasury upon request, and to any authorized oversight body, including, but not limited to, the Illinois Attorney General, the Illinois Auditor General, the Illinois Office of the Executive Inspector General, the Government Accountability Office ("GAO"), Treasury's Office of Inspector General ("OIG"), and the Pandemic Relief Accountability Committee ("PRAC").

(Source: Added at 46 Ill. Reg. _____, effective _____)

Section 691.220 Startup Grants Program

a) Program eligibility

A business applying for the Startup Grants Program must be an independently owned and operated for-profit corporation, a limited liability corporation, a partnership, a non-profit organization or a sole proprietorship authorized to conduct business and operating in the State of Illinois. All ineligible businesses listed in Subpart A (see Section 691.70(c) and (d)) are also ineligible to apply under the Startup Grants Program, except for businesses that derive a majority of their income as an owner of real property that leases that property to a tenant or tenants under a lease agreement (see Section 691.70(c)(9)); and employment agencies (see Section 691.70(c)(15). Businesses that operate COVID-19 testing sites or COVID-19 vaccine distribution sites primarily, and businesses that previously received a Back to Business or Business Interruption Grant, are

ineligible to apply for the Startup Grants Program. To be eligible, all applicants that incorporated (or for businesses not required to incorporate, began operating) between January 1, 2020 and the date of application submission, shall have earned less than \$20 million in gross operating revenue for 2021. If the business incorporated (or for businesses not required to incorporate, began operating) starting January 1, 2021 or later, to be eligible, a pro-rated amount of the applicant's earnings in 2021 must equate to less than \$20 million in gross operating revenue based on the number of days in operation when extrapolated for a full year.

b) Program-specific expenditures

Under the Startup Grants Program, expenditures must have been incurred directly and paid for by an eligible business on or after March 13, 2020, up to the date of application submission. The following COVID-19-related expenditures are reimbursable:

- 1) Rent or mortgage payments made during temporary closures due to COVID-19 Prevention Directives;
- 2) Insurance payments made during temporary closures due to COVID-19 Prevention Directives;
- 3) Utility payments made during temporary closures due to COVID-19 Prevention Directives;
- 4) COVID-19 vaccination, testing and contact tracing.;
- 5) Renovations or investments to the business's facility that encouraged distancing, erected barriers, improved ventilation, or permitted the use of outdoor space to mitigate the spread of COVID-19;
- 6) Investment in technology that supported remote work or the delivery or pick-up of goods sold by the business;
- 7) Personal protective equipment;
- 8) Sanitation and deep cleaning; and
- 9) Commercial property rehabilitation, storefront improvements, and façade improvements for businesses operating within a Qualified Census Tract.

(Source: Added at 46 Ill. Reg. _____, effective _____)

Section 691.230 Reactivating Vacant and Mainstreet Places (REVAMP) Grants Program

a) Program eligibility

A business applying for the REVAMP Program must be an independently owned and operated for-profit corporation, a limited liability corporation, a partnership, a non-profit organization or a sole proprietorship authorized to conduct business and operating in the State of Illinois; or an Illinois local unit of government. All ineligible businesses listed in Subpart A (see Section 691.70(c) and (d)) are also ineligible to apply under the REVAMP Program, except for businesses that derive a majority of their income as an owner of real property that leases that property to a tenant or tenants under a lease agreement (see Section 691.70(c)(9)); employment agencies (see Section 691.70(c)(15)); and government-owned business entities (see Section 691.70(c)(11)). Businesses that operate COVID-19 testing sites or COVID-19 vaccine distribution sites primarily, and businesses that previously received a Back to Business or Business Interruption Grant, are ineligible to apply to the REVAMP Program. The physical location of the establishment that benefits from the grant must be currently occupied by the applicant business and have been previously vacant without a tenant for 90 consecutive days ending on or after March 1, 2020. The physical location of the establishment which benefits from the grant must be located in a high traffic area. To be eligible, all non-governmental applicants shall have earned less than \$20 million in gross operating revenue for 2021. If the business incorporated (or for businesses not required to incorporate, began operating) starting January 1, 2021, or later, to be eligible, a pro-rated amount of the applicant's earnings in 2021 must equate to less than \$20 million in gross operating revenue based on the number of days in operating when extrapolated for a full year.

b) Program-specific expenditures

Under the REVAMP Program, expenditures must have been incurred directly and paid for by an eligible business on or after March 13, 2020, up to the date of application submission, for the benefit of an establishment meeting the description in (a). The following COVID-19-related expenditures are reimbursable:

- 1) Rent or mortgage payments made during temporary closures due to COVID-19 Prevention Directives;
- 2) Insurance payments made during temporary closures due to COVID-19 Prevention Directives;
- 3) Utility payments made during temporary closures due to COVID-19 Prevention Directives;

- 428 4) COVID-19 vaccination, testing, and contact tracing;
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- 430 5) Renovations or investments to the facility that encouraged distancing,
- 431 erected barriers, improved ventilation, or permitted the use of outdoor
- 432 space to mitigate the spread of COVID-19;
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- 434 6) Investment in technology that supported remote work or the delivery or
- 435 pick-up of goods sold by the business;
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- 437 7) Personal protective equipment;
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- 439 8) Sanitation and deep cleaning; and
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- 441 9) Commercial property rehabilitation, storefront improvements, and façade
- 442 improvements for businesses operating within a Qualified Census Tract.
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(Source: Added at 46 Ill. Reg. _____, effective _____)